



Finance Department BUDGET PRESENTATION

FY 2023-2024

3/6/2023

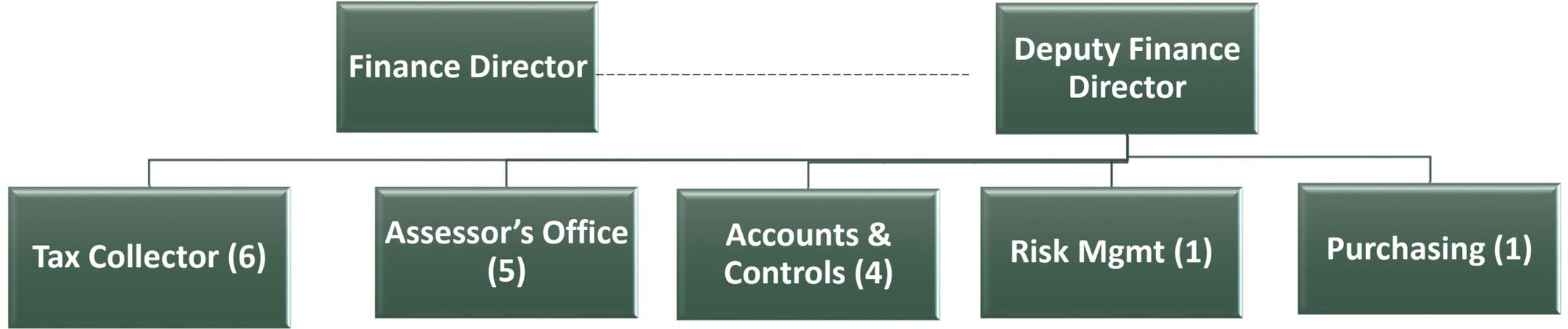
➤ MELISSA MCCAWE, FINANCE DIRECTOR



- EH Finance Director since March 2022
- 20+ years of experience in state, municipal and higher education finance and operations
 - State/OPM
 - University of Hartford
 - City of Hartford
 - Town of East Hartford
- Bachelor of Arts in Government from Wesleyan University
Master of Public Administration with a concentration in Public Finance & Budgeting from the University of Connecticut



FINANCE ORGANIZATIONAL CHART



➤ OUR DEDICATED TEAM



➤ DESCRIPTION & MISSION

To provide the Mayor, Town Council, town departments and taxpayers with efficient and effective financial management services.

Financial forecasting, budget development and fiscal control, operations analysis, and grants management

Ensure fiscal integrity by exercising due diligence, management and control over the Town's assets and resources, and providing timely and accurate reporting under the guidelines of Generally Accepted Accounting Principles (GAAP).



➤ HOW DO WE DO THAT?



- Preparation of the Mayor's Budget and 5-Year Capital Improvement Plan (CIP)
- Financial Monitoring, Projections and Reporting (Internal and External)
- Maintaining the General Ledger and all Banking/Financial transactions (integrity and appropriateness)
- Monitoring Cashflow (incl grants) and Receivables
- Labor and Pension Contract Negotiation Proforma
- Monitor Internal Svc & Trust Funds (Medical, OPEB, Workers Comp, AL/GL)
- Investment of Town assets
- Liaison to the Retirement Board
- Payroll and Vendor Payments, Federal and State reporting

➤ HOW DO WE DO THAT?

- Assessor's Office: Grand List Oversight
- Tax Collection: Oversight
 - Collection / Tax Liens / Tax Sales
- Purchasing Administration
 - Bids / Request for Proposals (RFP) Qualifications (RFQ)
- Debt Issuances
- Lease Administration



➤ BY THE NUMBERS



Purchasing

Number of RFPs issued

25

Number of Purchasing requisitions verified for compliance with our purchasing ordinances

2606

Assessors

Number of certificate of corrections processed

96

Number of real estate inspections

67

Number of income and expense reports reviewed

677

Number of Board of Assessment appeal applications reviewed

34

Number of civil tax appeals resolved

25

➤ BY THE NUMBERS

Accounting and Control

Number of journal entries processed

Number of checks issued

Number of wire payments

52 payrolls

checks/direct

W-2s

1099s

1095s

Tax

Number of original bills sent on 2021 GL

FY2022

2,163

5,844

183

30,462

852

152

682

FY2022

63,550



➤ BY THE NUMBERS



Risk Management Statistics and Other Info

- # Workers' Compensation Claims incl. BOE 105
- # Law Enforcement Claims: 0
- # Public Officials Liability Claims: 2
- # School Board Liability Claims: 0
- # General Liability Claims: 12
- # Auto Claims: 17
- # of CIRMA Claim Files in Litigation: 25
- # Contracts reviewed for insurance & indemnification: 95

FINANCE ACCOMPLISHMENTS

- Production/implementation of the Annual Budget and the 5-Year Capital Improvement Plan (“CIP”)
- Supported Labor Negotiations – Ability to Pay (Fire)
- On-time filing of Annual Comprehensive Financial Report (June to December 2022)
- Clean audit, FY22 Year-end results
 - -\$0.4 million Budgetary (excl OPEB surplus of \$1.8M)
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting – 42 years as of June 30, 2021 (FY2022 application pending)
- 97.18% Tax Collection Rate

FINANCE ACCOMPLISHMENTS

- Federal Single Audit – implemented new Grants Policy to address finding
- Implemented new Credit Card policy & PowerPoint Training
- Moody's Confirms the Town of East Hartford's Aa3 GO Rating Assigns Aa3 Issuer Rating – February 2023
- Intense documenting and revising of procedures to strengthen internal controls and enhance coordination within Finance and with Departments
- Pension and OPEB valuations
- Attention to Capital Asset budget/funding
- Services modified during the pandemic – Tax Collections, Bids, Assessment Services including Revaluation

➤ FINANCIAL STRENGTHS



- Fund Balance is at 10% (competitively weak)
 - Excess transferred to Post Retirement Trust Fund (OPEB) – 11.08% pre-transfer
- We bond over 10 years and have manageable debt
- East Hartford typically has operating surpluses annually
- An OPEB Trust has been established
- Budget and Transfer to the Pension Trust based on the ADEC
- Medical Reserve is appropriately funded at a high
- Other Reserve Funds are adequately funded / ordinance = as strong governance provisions
- Extensive new developments underway

➤ FINANCIAL CHALLENGES



- Industry is moving from 10% reserves to 15% reserves.
- We have a \$244.4 million unfunded pension obligation @ 7.25%
- Discount rate must be reduced over time
- We have a \$145 million unfunded OPEB obligation
- OPEB supplemental appropriation funds current year expenses
- Structural deficits in appropriation levels to be addressed in a multi-year approach
- Backlog of deferred maintenance/reinvestments - “projects are picking us”

Requires a multi-phase and multi-year strategy coupled with economic development / grand list growth. Commitment to the strategy will yield ROI.

➤ FY24 FINANCE FUNCTION BUDGET CHANGES

DEPARTMENT	ORG	OBJ	DESCRIPTION	REASON	\$ CHANGE
ADMINISTRATION	G3100	60110	Permanent Services	Mayor's Reorganization – CAO Adjustment - Deputy Finance Director	32,364
	G3100	63138	Contractual Services	ClearGov digital budget book	10,000
ACCOUNTS & CONTROL	G3200	60110	Permanent Services	Contractual	12,250
	G3200	63138	Contract Services	Annual MUNIS maintenance, TCM (electronic document storage) and Brinks pick up	17,600
PURCHASING	G3400	60110	Permanent Services	Contractual	1,765
ASSESSOR	G3600	60110	Permanent Services	Contractual	36,778
REVENUE & COLLECTIONS	G3700	60110	Permanent Services	Contractual	11,390
	G3700	62215	Mileage Reimbursement	Reallocation for staff travel to conferences	400
	G3700	63138	Contract Services	Reallocation	(400)

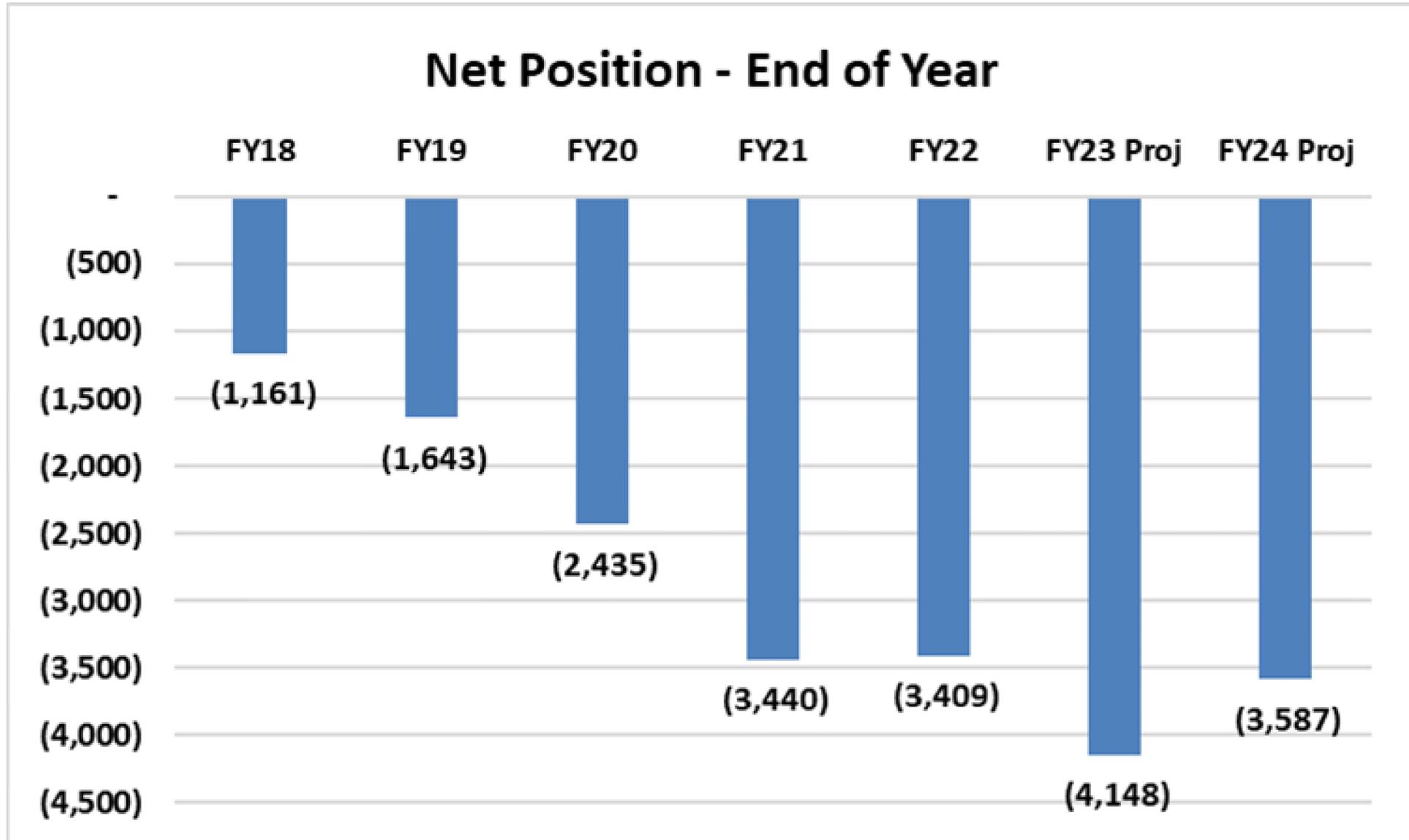
➤ FY24 FINANCE FUNCTION BUDGET CHANGES

DEPARTMENT	ORG	OBJ	DESCRIPTION	REASON	\$ CHANGE
EMPLOYEE BENEFITS	G3800	61430	Pension Contribution	Funds Actuarially Determined Expected Contribution of \$22.3M (Town) @ 7.25% investment rate of return per Segal valuation	1,184,561
	G3800	61434	FICA Employer Cost	FICA – 2% increase	45,000
	G3800	61435	DC Plan Employer Share	Town will match 4% for all new, non-public safety employees - currently 132 active employees	45,000
	G3800	61436	Longevity	Historical trend	(2,720)
	G3800	61456	Workers' Compensation	Funds 5y average claim trend	116,000
	G3800	61461	Medical Reserve Contribution	Annual contribution to Health Int Service Fund based on strong reserve balance of \$14.2M	(433,097)
	G3800	61466	OPEB Trust Contribution	Consistent with 2/21/23 Presentation	700,000
	G3800	61482	Heart And Hypertension	Funds 5y average claim trend (Workers Comp)	100,000

➤ FY24 FINANCE FUNCTION BUDGET CHANGES

DEPARTMENT	ORG	OBJ	DESCRIPTION	REASON	\$ CHANGE
EMPLOYEE BENEFITS (CONTINUED)					
	G3800	61485	Deferred Compensation	Reduced to align with trend	(10,000)
	G3800	67100	Transfer Out	Use of One-Time discretionary fees to offset spike in OPEB appropriation (5-year average) / market underperformance	(250,000)
RISK MANAGEMENT	G3900	60110	Permanent Services	Contractual	2,034
	G3900	61450	Insurance Premiums	Rebid/renewal of insurance premiums / meet ordinance requirement	80,000

WORKERS COMPENSATION FUND

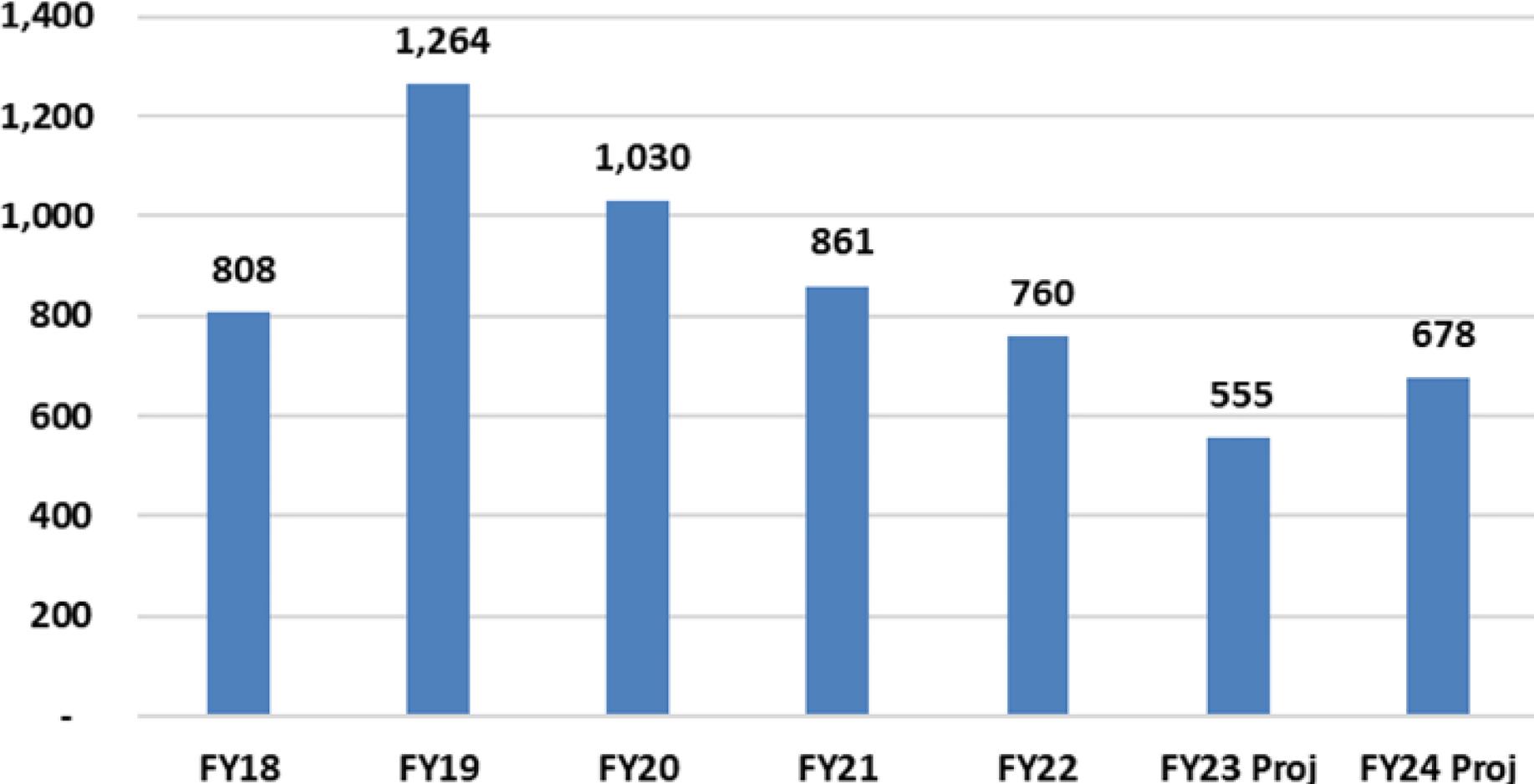


WORKERS COMPENSATION FUND

Worker's Compensation										
	Actual							Budget	Projected	Projected
Operating Revenue	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	23	FY24
Net Assets - BOY	(1,533)	(1,116)	(734)	(1,161)	(1,643)	(2,435)	(3,440)	(3,409)	(3,409)	(3,590)
Budget Contribution	1,727	1,825	1,722	1,772	1,942	1,942	2,641	1,998	1,998	2,202
Other	-	-	34	3	3		-	-	-	-
Interest Income	-	10	27	-	31	1	2	2	44	44
Subtotal CY Revenue	1,727	1,835	1,783	1,775	1,976	1,943	2,644	2,000	2,042	2,246
Total Revenue	194	719	1,049	614	333	(492)	(796)	(1,409)	(1,367)	(1,344)
Operating Expenses										
Claims	1,496	1,552	2,326	1,946	1,868	2,106	2,563	2,100	2,700	2,162
Premiums and Admin. Charges	-	-	68	-	71	71	71	71	71	71
IBNR Change	(188)	(99)	(184)	311	829	771	(34)	-	-	-
Other (Interfund Transfer)	2	-	-	-	-		13	10	10	10
Total Operating Expenses	1,310	1,453	2,210	2,257	2,768	2,948	2,613	2,181	2,781	2,243
Net Assets - EOY	(1,116)	(734)	(1,161)	(1,643)	(2,435)	(3,440)	(3,409)	(3,590)	(4,148)	(3,587)
Town Budget - WC							1,931	1,382	1,382	1,447
Town Budget - H & H (\$2.3M of liability)							320	320	320	419
Board Budget							296	296	296	336
Total Budget							2,547	1,998	1,998	2,202

AL/GL FUND

Net Position - End of Year

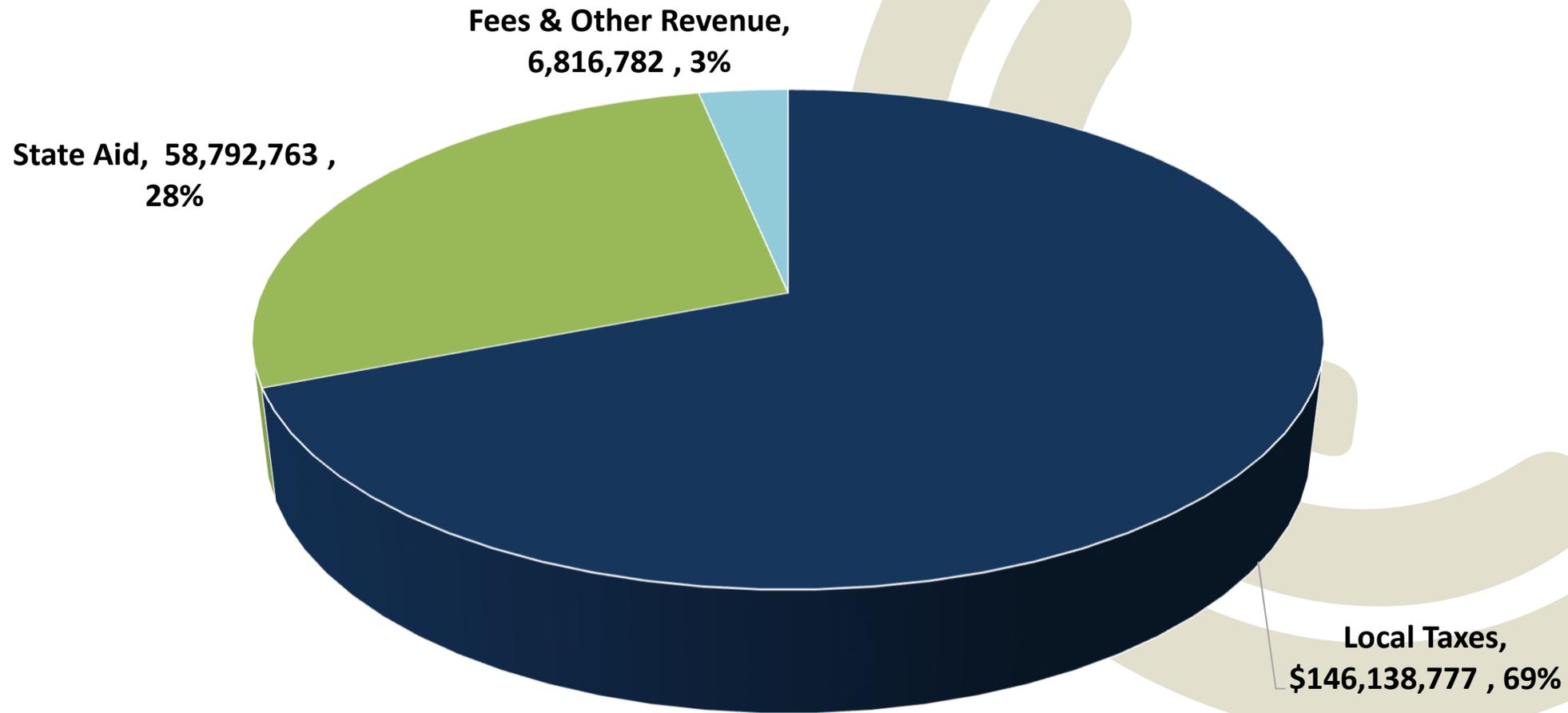


AL/GL FUND

	General Liability							Budget FY23	Projected FY23	Projected FY24
	Actual									
Operating Revenue	FY16	FY17	FY18	FY19	FY20	FY21	FY22			
Net Assets - BOY	726	700	961	808	1,264	1,030	861	760	760	626
Budget Contribution	1,582	1,694	1,660	1,784	1,390	1,390	1,740	1,540	1,540	1,675
Other	-	-	50	-	55	168	123	50	140	100
Interest Income	-	13	30	-	35	1	5	5	50	5
<i>CY Revenue</i>	<i>1,582</i>	<i>1,707</i>	<i>1,740</i>	<i>1,784</i>	<i>1,480</i>	<i>1,559</i>	<i>1,868</i>	<i>1,595</i>	<i>1,730</i>	<i>1,780</i>
Total Revenue	2,308	2,407	2,701	2,592	2,744	2,589	2,729	2,355	2,490	2,406
Operating Expenses										
Claims	1,247	1,529	1,758	1,712	1,562	1,847	1,601	1,696	1,869	1,700
IBNR Change	361	(83)	23	(384)	152	(151)	313	-	-	-
Premiums and Admin. Charges	-	-	90	-	-	32	33	33	33	33
Other (Interfund Transfer)	-	-	22	-	-	-	22	-	33	-
Total Operating Expenses	1,608	1,446	1,893	1,328	1,714	1,728	1,968	1,729	1,935	1,733
Net Assets - EOY	700	961	808	1,264	1,030	861	760	626	555	673
Town Budget (including CIRMA Premiums)							1000	800	800	850
Addl Contr in FY23										25
Board Budget							740	740	740	800
Total Budget							1740	1,540	1,540	1,675

REVENUE OUTLOOK

FY 24 REVENUES



■ Local Taxes ■ State Aid ■ Fees & Other Revenue

➤ FY24 BUDGET Revenue Drivers

\$7.3 M Recommended Increase

REVENUE TYPE	FY21 ACTUAL	FY22 ACTUAL	FY23 ADOPTED	FY24 MAYOR'S RECOMM	\$ CHG	% CHG
40-Property Taxes	(139,364,000)	(138,978,472)	(137,898,219)	(146,138,777)	(8,240,558)	6.0%
41-Licenses and Permits	(1,161,958)	(1,370,381)	(1,402,310)	(1,412,310)	(10,000)	0.7%
42-Intergovernmental	(53,065,247)	(57,521,244)	(60,184,511)	(58,792,763)	1,391,748	-2.3%
43-Charges for Town Clerk	(1,431,130)	(1,951,375)	(1,823,000)	(1,841,000)	(18,000)	1.0%
44-Charges for Public Safety	(1,438,147)	(1,806,624)	(1,487,098)	(1,564,498)	(77,400)	5.2%
45-Charges for Building	(11,785)	(15,980)	(14,400)	(14,400)	-	0.0%
46-Charges for Public Works	(169,859)	(176,263)	(158,700)	(158,700)	-	0.0%
47-Charges for Library	(4,296)	(13,937)	(16,500)	(13,000)	3,500	-21.2%
48-Charges for Recreation	(2,616)	(36,157)	(30,000)	(20,000)	10,000	-33.3%
49-Charges for Cemetery	(214,372)	(240,627)	(240,000)	(240,000)	-	0.0%
50-Fines	(46,816)	(75,914)	(57,500)	(57,500)	-	0.0%
51-Other Miscellaneous	(760,113)	(993,360)	(1,109,839)	(1,485,374)	(375,535)	33.8%
52-Other Transfers	(884)	(3,882)	(10,000)	(10,000)	-	0.0%
Grand Total	(197,671,222)	(203,184,214)	(204,432,077)	(211,748,322)	(7,316,245)	3.6%

OCTOBER 1, 2022 GRAND LIST (FY2023-24 BUDGET)

- The October 1, 2022 Grand List was used to calculate the mill rate used for the Fiscal Year 2024 budget.
- Met statutory deadline for filing of the Grand List had been received.
(Signed Friday, January 31, 2023)

Grand List Change	Real Estate and Personal Property			Motor Vehicle	Total
2022 Net Grand List less all adj	3,124,117,174			402,841,630	3,526,958,804
2021 Net Grand List less all adj	3,125,896,992			369,433,530	3,495,330,522
\$ Change	(1,779,818)			33,408,100	31,628,282
<i>% Change</i>	<i>-0.06%</i>			<i>9.04%</i>	<i>0.9%</i>

➤ OCTOBER 1, 2022 GRAND LIST

PRESS RELEASE

**TOWN OF EAST HARTFORD
10-1-2022 GRAND LIST**



The East Hartford Assessor’s Office has completed the Grand List for October 1, 2022 . The new total Grand List is: **3,952,098,547** .
By categories, the real estate, personal property and motor vehicle changes are indicated by the following chart:

	GROSS	EXEMPTIONS	NET	COMPARISON OF NET TAXABLE CURRENT YEAR TO PRIOR YEAR	
				ASSESSMENT CHANGE	PERCENTAGE CHANGE
Real Estate	2,852,587,347	47,458,110	2,805,129,237	10,306,176	0.37%
Personal Property	693,689,370	374,701,433	318,987,937	-12,086,094	-3.65%
Motor Vehicles	405,821,830	2,980,200	402,841,630	33,408,100	9.04%
TOTAL GRAND LIST	3,952,098,547	425,139,743	3,526,958,804	31,628,182	0.90%

FY 2024 NOTABLE REVENUE ITEMS

\$8.3 Million of new revenue for Property Taxes

- Mill Rate from 41.00 to 43.00 mills
- Includes updated reserve estimate for revaluation reserve of pending civil cases for GL 2021 and other property modifications.

\$1.4 Million reduction in Intergovernmental / Municipal Aid

- PILOT State Property revenue receipts – Decrease of **\$467,000**
- Distressed Municipalities - Decrease of **\$625,000**
- Motor Vehicle Mill Rate Grant – Decrease of **\$484,000**

\$400,000 Increase in Other Income

- Interest Income on investments – due to favorable interest rate environment (increased of \$600K)
- Sale of Town Property – (reduction of \$200K)

THE AVERAGE RESIDENTIAL PARCEL TAXPAYER

	The Town of East Hartford: Real Estate Property Value			
Market Value:	\$ 100,000	\$ 200,000	\$ 300,000	\$ 380,000
Assessed Value:	\$ 70,000	\$ 140,000	\$ 210,000	\$ 266,000
FY23 Tax Bill @ 41.00 mills	\$ 2,870	\$ 5,740	\$ 8,610	\$ 10,906
FY24 Tax Bill @ 43.00 mills	\$ 3,010	\$ 6,020	\$ 9,030	\$ 11,438
Net Tax Increase	\$ 140	\$ 280	\$ 420	\$ 532
\$ Tax Increase	4.9%	4.9%	4.9%	4.9%

TOP 10 TAXPAYERS – 10/1/22 GL

	NAME	PROPERTY TYPE	REAL ESTATE	PERSONAL PROPERTY	MOTOR VEHICLE	TOTAL	EXEMPTIONS	NET TAXABLE
1	Raytheon Technologies Corporation	Manufacturer	184,087,690	392,898,770	213,460	577,199,920	338,023,772	239,176,148
2	Goodwin College	School	153,887,080	5,293,960		159,181,040	142,388,870	16,792,170
3	CT light & Power/ Eversource	Utility	1,876,880	50,731,090	16,280	52,624,250		52,624,250
4	Coca Cola Bottling Co	Manufacturer	7,724,112	33,758,770	211,940	41,694,822	22,349,750	19,345,072
5	Woodcliff Estate	Apartments	36,988,900	277,200		37,266,100		37,266,100
6	CT Natural Gas	Utility	5,940,540	25,667,110	4,244,490	35,852,140		35,852,140
7	Barrington Group	Industrial	24,858,690			24,858,690		24,858,690
8	Milton East	Offices	21,779,690			21,779,690		21,779,690
9	Cabela's INC	Retail	16,568,390	4,791,410	16,070	21,375,870		21,375,870
10	Summerfield Housing	Apartments	21,303,910	16,280	7,880	21,328,070		21,328,070

➤ CAPITAL IMPROVEMENT PROGRAM



- Addresses critical end of life vehicles/equipment and buildings
- FY2024 CIP Mayor's Recommend of \$6.284 million (pg 219)
 - Town/IT: \$403K
 - Fire: \$275K
 - Police: \$520K
 - Public Works: \$5.086M
- FY2024 Recommended Funding Sources
 - Future Bonding: \$3.638M
 - Bond Premium: \$1.208M
 - Capital Lease: \$903K
 - LOCIP: \$495K
 - State Grant: \$40K

➤ CAPITAL IMPROVEMENT PROGRAM



- FY2024-28 CIP over 5 years provides anticipated need of \$68.9 million
- Reflects critical end of life vehicles/equipment and buildings
- DPW Facilities Plan
- Anticipate Firehouse investments
- Replenishes building emergency funds
- Subject to available funding but provides starting point for holistic perspective of capital needs
- Requires aggressive seeking of federal and state grants



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of East Hartford
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



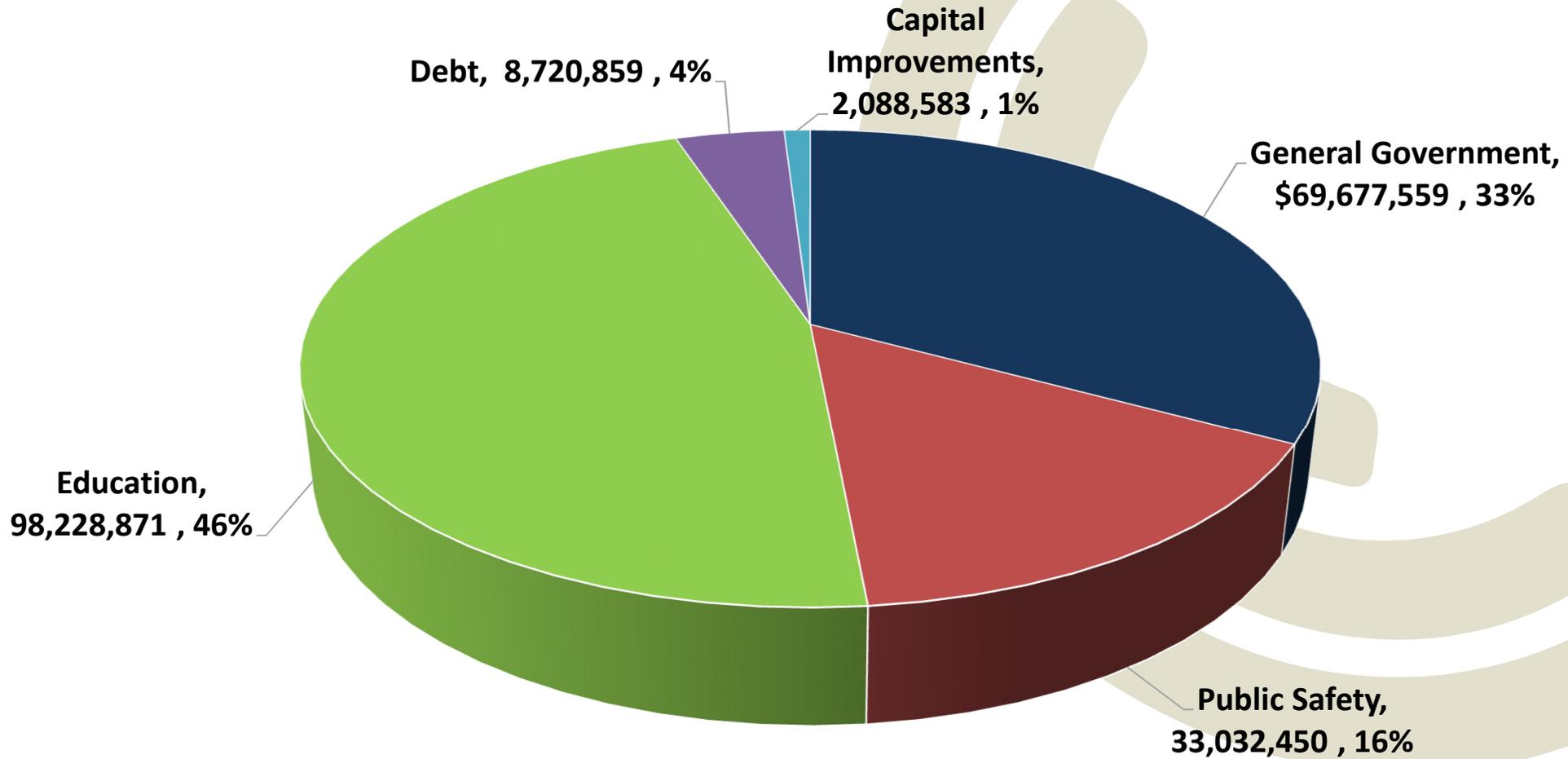
THANK YOU!



APPENDIX

➤ EXPENDITURES

GENERAL FUND BUDGET



■ General Government ■ Public Safety ■ Education ■ Debt ■ Capital Improvements

FY 2024 NOTABLE EXPENDITURE ITEMS



TOWN OF EAST HARTFORD RECOMMENDED BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2024

	FY2022 Revised Budget	FY2023 Adopted Budget	FY2023 Revised Budget	% Change	FY2024 Adopted Budget	% Change	\$ Change
Town	\$ 62,724,445	\$ 64,224,911	\$ 64,224,641	2.4%	\$ 66,912,809	4.2%	\$ 2,687,898
Health Benefits/Insurances	14,890,611	10,104,297	12,317,297	-17.3%	10,667,200	5.6%	562,903
Retirement Benefit Costs	20,010,735	23,868,159	23,868,159	19.3%	25,130,000	5.3%	1,261,841
Board of Education	92,679,245	95,993,863	95,993,863	3.6%	98,228,871	2.3%	2,235,008
Town and Board Debt Service	8,716,889	8,105,180	8,105,180	-7.0%	8,720,859	7.6%	615,679
Capital Improvements	2,129,091	2,135,667	2,135,667	0.3%	2,088,583	-2.2%	(47,084)
Total General Fund Expenditures	\$ 201,151,016	\$ 204,432,077	\$ 206,644,807	2.7%	\$ 211,748,322	3.6%	\$ 7,316,245



FY 2024 NOTABLE EXPENDITURE ITEMS



\$7.3 Million of expenditure adjustments:

- Contribution to BOE – Increase of **\$2.2 Million**
- Pension Costs of **\$1.2 Million** to fund the actuarially determined contribution (ADC) at 7.25%
- Annual OPEB Contribution – Increase of **\$700,000**
- Medical Reserve Contribution reduced by **\$500,000**. Current balance @ **\$12.1 Million**
- Debt Service - Increased by **\$615,000**, net of debt service reserve contribution
- Utilities for electricity, fuel and natural gas and Tipping Fees to dispose waste increased by **\$700,000**
- Contractual collective bargaining wage increases of 2% - **\$1,000,000** offset by other savings

Town of East Hartford, Connecticut



FY24 Budget Update *February 21, 2023*

Melissa N. McCaw
Finance Director

Financial Presentation Areas

- **Expense and Projection Analysis: OPEB Trust Fund**
- **Expense and Projection Analysis: Medical Claims / Health Insurance**
- Internal Service Fund**
- **Expense and Projection Analysis: Long Term Debt**
- **Expense and Projection Analysis: Lease Purchase**



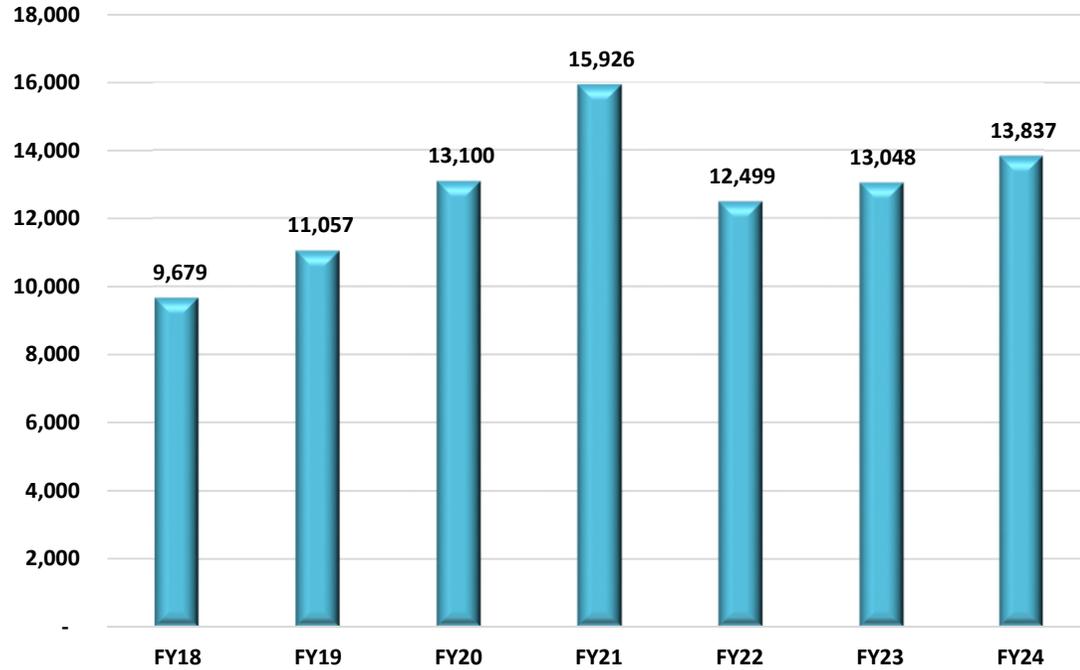
OPEB Trust Fund

- Retiree Health Plan (medical and dental)
- General Rule of Thumb: At minimum, must fund current year/normal costs. Financially healthy organizations make contributions to the UAL.
- Funding Requirements and Mechanisms:
 - Per ordinance 10-52(d), the budget contribution shall be equal to 5 yr. avg. of actual claims paid plus 0.1% of the unfunded accrued liability (increasing annually).
 - Unassigned fund balance in excess of 10% is a mandatory contribution to OPEB fund – effective in January 2017.
 - Net OPEB Liability as of 7/1/21 - \$139M or 10% funded

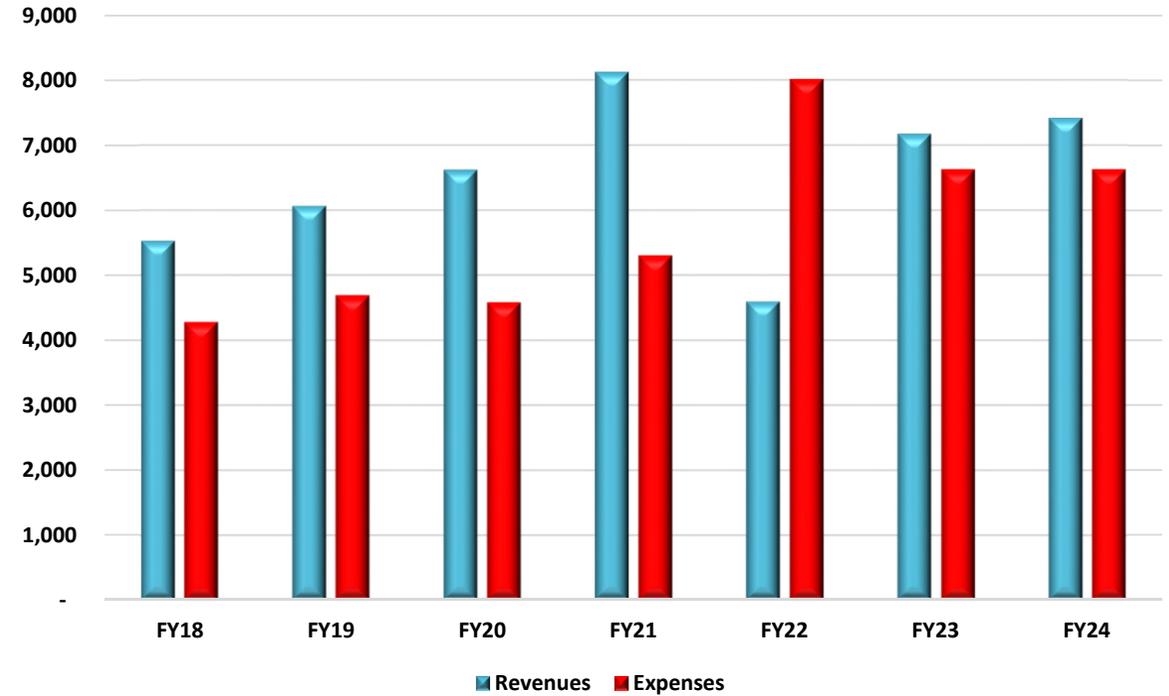


OPEB Trust Fund

Net Assets - EOY



Historical and Projected Revenues and Expenses



OPEB Trust Fund

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	Projected FY23	Budget FY24
Operating Revenue									
Net Assets - BOY	2,892	6,833	8,429	9,679	11,057	13,100	15,926	12,499	13,048
Budget Contribution	5,034	3,053	3,374	1,972	2,527	2,807	2,028	1,664	3,314
Ordinance 10-52 Addl Appropriation				1,587	2,724	-	2,167	2,213	1,000
Charges for Services/Premium Shares	2,100	1,911	1,515	2,000	2,041	2,026	2,106	1,946	2,100
Investment Income & Gains/Losses	712	908	635	500	(674)	3,291	(1,709)	1,350	1,000
Subtotal CY Revenue	7,846	5,872	5,524	6,059	6,618	8,124	4,592	7,173	7,414
Total Revenue	10,738	12,705	13,953	15,738	17,675	21,224	20,518	19,672	20,462
Operating Expenses									
Claims	3,905	4,276	4,260	4,681	4,575	5,298	8,019	6,624	6,625
Other (Interfund Transfer)	-	-	14	-	-	-	-	-	-
Total Operating Expenses	3,905	4,276	4,274	4,681	4,575	5,298	8,019	6,624	6,625
Surplus / Deficit	3,941	1,596	1,250	1,378	2,043	2,826	(3,427)	549	789
Net Assets - EOY	6,833	8,429	9,679	11,057	13,100	15,926	12,499	13,048	13,837

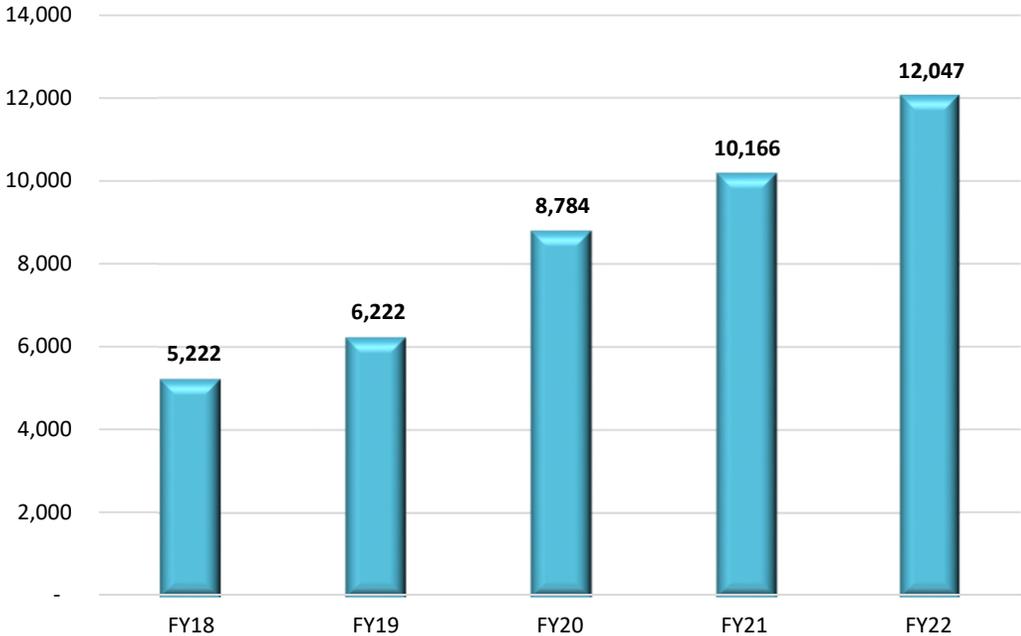
	FY23	FY24
Town	1,464	2,164
Board	650	1,150
Total	2,114	3,314

- **Recommended increase of approximately \$700K for the Town in FY24.**

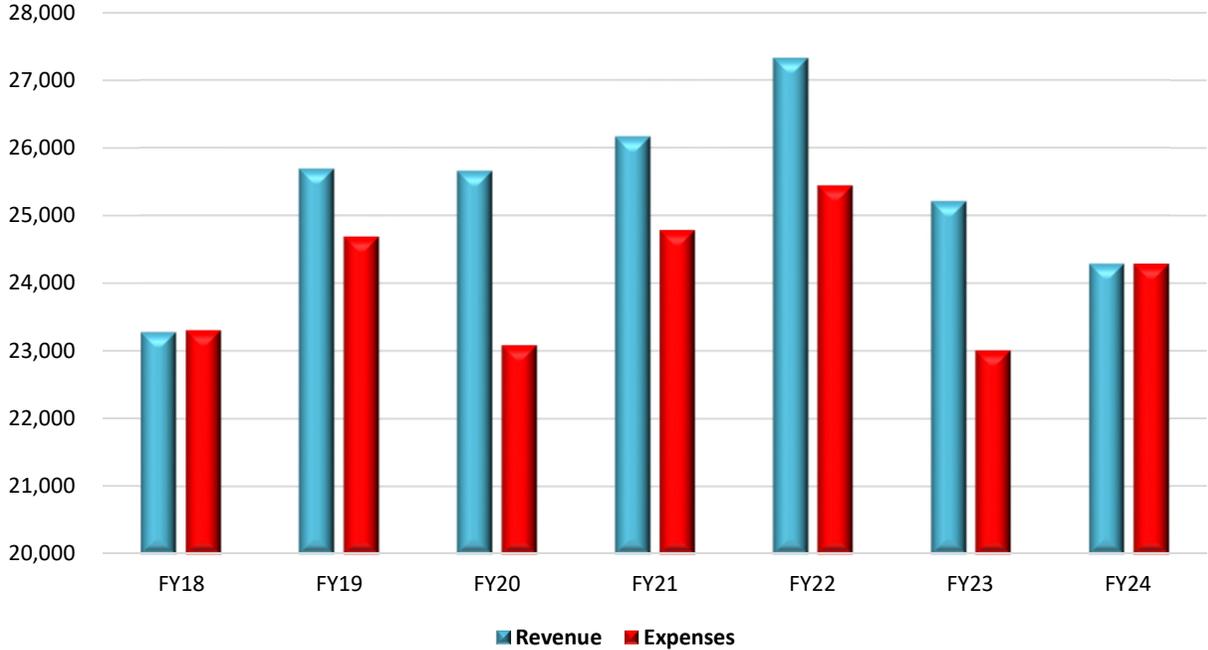


Medical Claims / Health Fund

Medical Reserve (ISF)
Net Assets - EOY



Historical and Projected Revenue and Expenses



- Ordinance 10-42(d)(2) – “must be funded in an amount at least equal to 2 month expense average.” (\$3.8M)



Medical Claims / Health Fund

The Town of East Hartford								
Analysis of Internal Service Funds - Budget Contributions								
For the Fiscal Year Ended June 30, 2024								
							2/13/2023	
	Medical Reserve							
Operating Revenue	Actual					Projected	Budget	
	FY18	FY19	FY20	FY21	FY22	FY23	FY24	
Net Assets - BOY	5,252	5,222	6,222	8,785	10,166	12,047	14,235	
Budget Contribution (including Grants)	20,038	22,438	22,612	22,365	22,654	20,374	19,441	
Employee Premium Shares / Rx Rebates	2,658	2,750	2,871	3,787	4,619	4,398	4,400	
Other Plus Interest	588	500	172	10	48	436	450	
Subtotal CY Revenue	23,284	25,688	25,655	26,162	27,320	25,208	24,291	
Total Revenue	28,536	30,910	31,877	34,947	37,486	37,255	38,526	
		8.3%	3.1%	9.6%	7.3%	-0.6%	2.8%	
Operating Expenses								
Claims	20,532	22,003	20,598	22,781	23,376	21,020	22,190	
Premiums and Admin. Charges	2,739	2,750	2,314	2,136	1,900	2,000	2,100	
IBNR Change	43	(65)	181	(136)	163	-	-	
Other (Interfund Transfer)	-							
Total Operating Expenses	23,314	24,688	23,093	24,781	25,439	23,020	24,290	
Surplus/(Deficit)	(30)	1,000	2,562	1,381	1,881	2,188	1	
Net Assets - EOY	5,222	6,222	8,784	10,166	12,047	14,235	14,237	
Reserves as a % of Actuals		25%	38%	41%	47%	62%	59%	

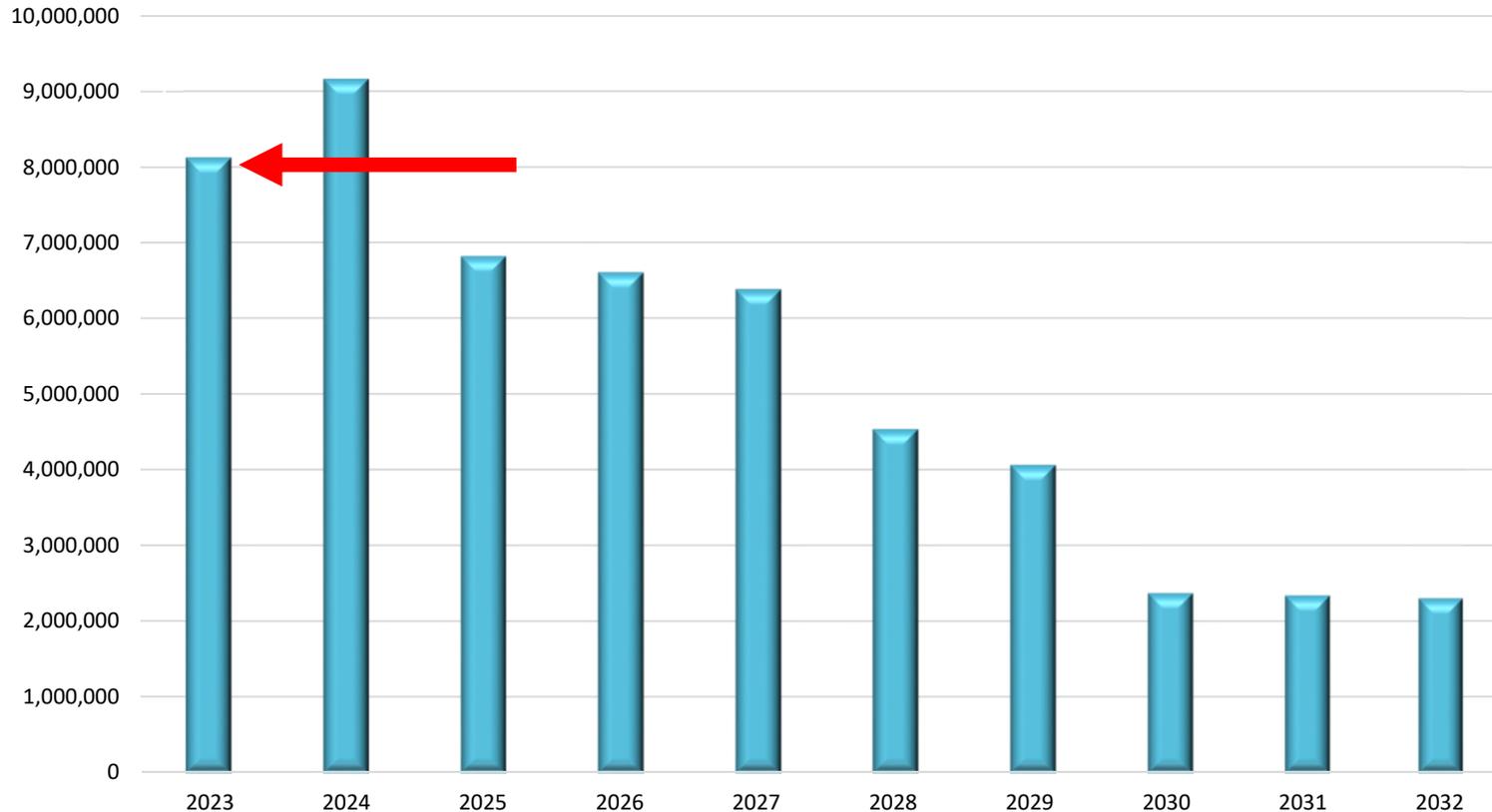
	Projected	Budget
	FY23	FY24
Town	6,033	5,600
BOE	11,841	11,341
BOE-G	2,500	2,500
Total	20,374	19,441

- **Recommended reduction of approximately \$400K for the Town in FY24.**



Long Term Debt – FY2023

Town of East Hartford:
Outstanding Indebtedness - \$52.569M



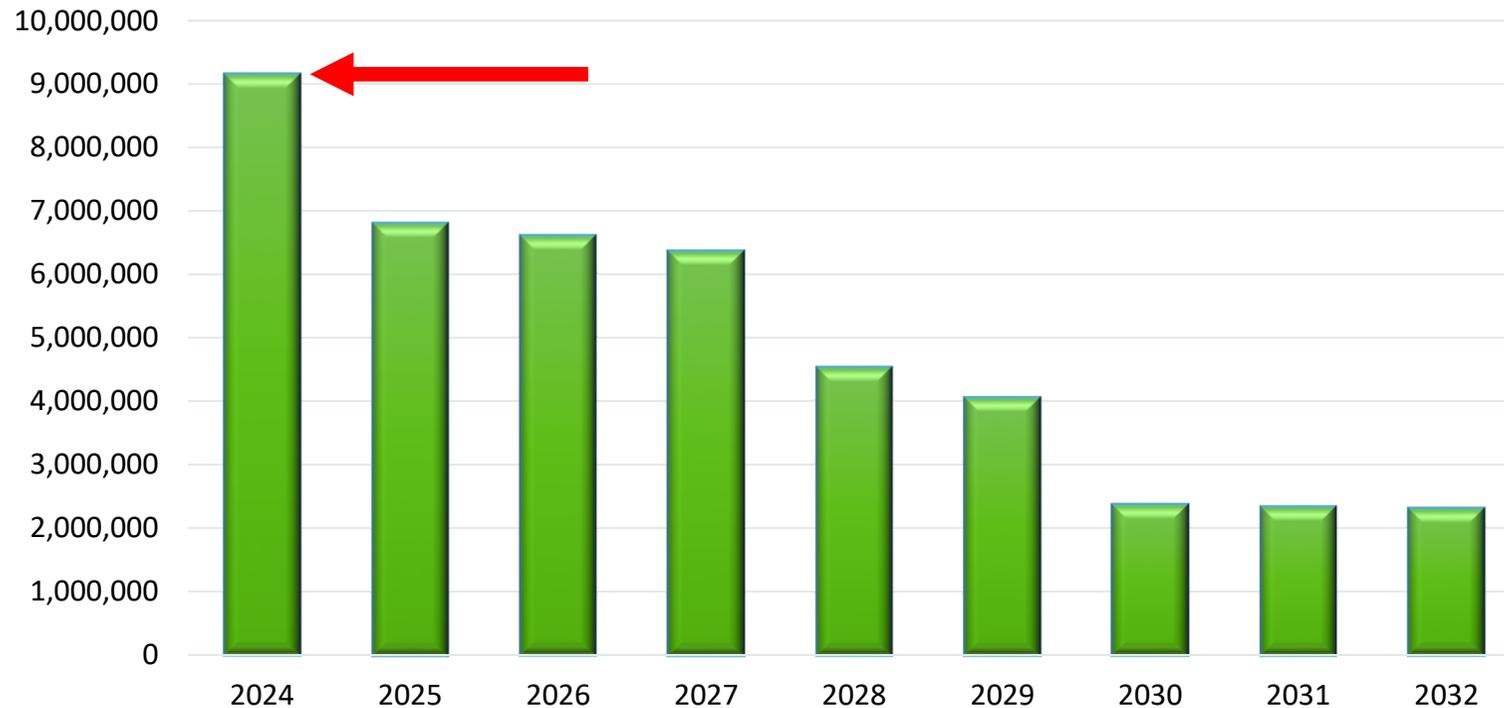
FY	Annual D/S	YoY Change
2023	\$ 8,105,179	
2024	9,145,859	1,040,680
2025	6,804,163	(2,341,696)
2026	6,592,619	(211,544)
2027	6,368,963	(223,656)
2028	4,521,863	(1,847,100)
2029	4,051,075	(470,788)
2030	2,359,125	(1,691,950)
2031	2,328,000	(31,125)
2032	2,292,700	(35,300)
2033	-	(2,292,700)
2034	-	-
\$ 52,569,544		

- As of 7/1/23, the Town of East Hartford will have \$52.6 million in debt outstanding – that will fully be retired in 2032.



Long Term Debt – as of 7/1/2022

Town of East Hartford: Outstanding Indebtedness - \$44.5M



FY	Annual D/S
2024	\$ 9,145,859
2025	6,804,163
2026	6,592,619
2027	6,368,963
2028	4,521,863
2029	4,051,075
2030	2,359,125
2031	2,328,000
2032	2,292,700
	\$ 44,464,365

- Outstanding debt will be \$44.5 million the Town closes FY2023.



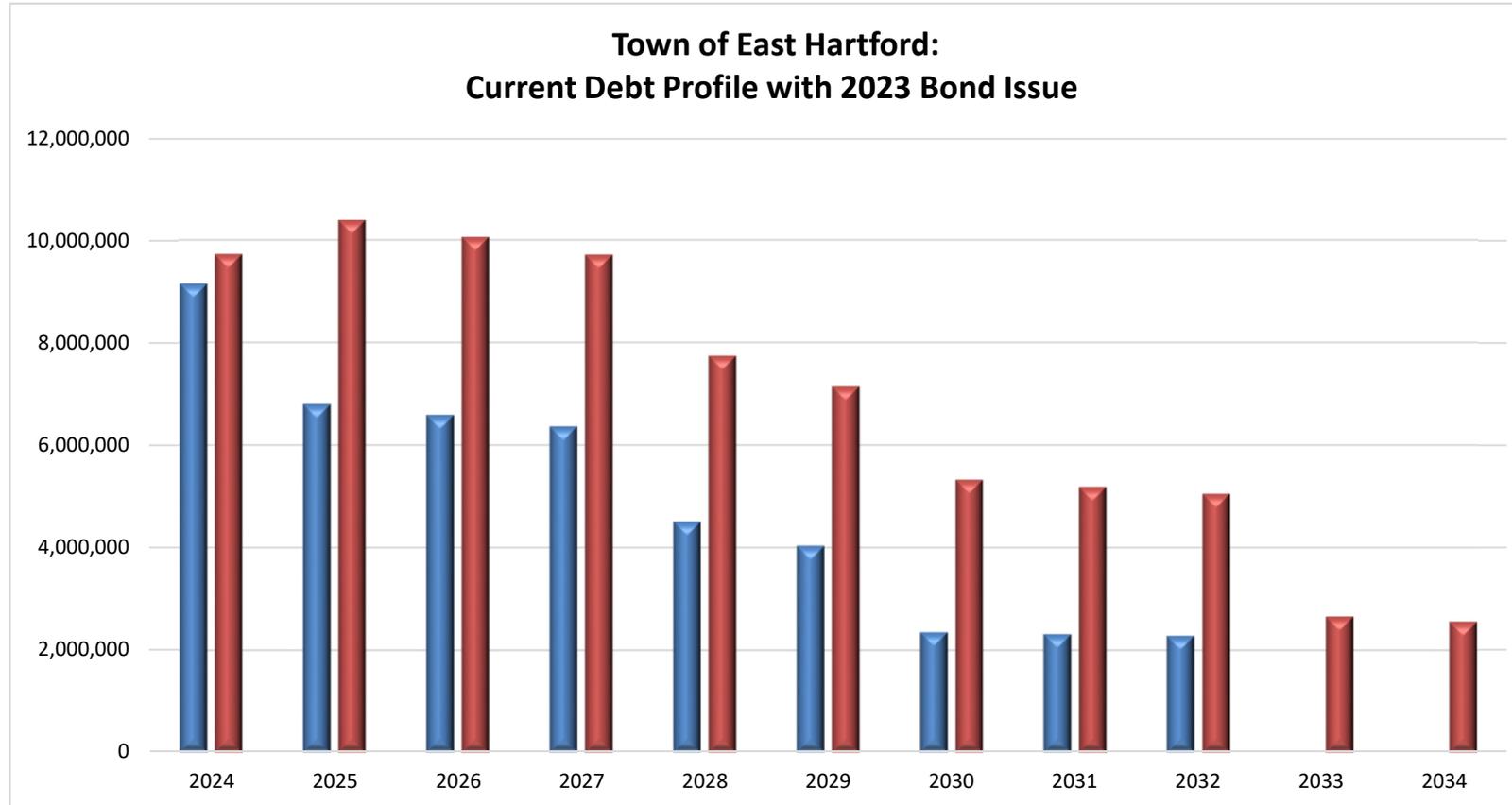
2023 Bond Issuance of \$25M

Fiscal Year	(A)	(B)	(C)	(D)
	Existing Debt Service	2023 Bond Issue \$25,000,000 Dated: 9/1/23 Due: 9/1/24-33 Interest: 3.35%	Combined Debt Service (A+B)	Annual Change in Debt Service
	P & I	P & I	P & I	P & I
2024	\$ 9,145,859	\$ 575,000	\$ 9,720,859	\$ -
2025	6,804,163	3,587,500	10,391,663	670,804
2026	6,592,619	3,462,500	10,055,119	(336,544)
2027	6,368,963	3,337,500	9,706,463	(348,656)
2028	4,521,863	3,212,500	7,734,363	(1,972,100)
2029	4,051,075	3,087,500	7,138,575	(595,788)
2030	2,359,125	2,962,500	5,321,625	(1,816,950)
2031	2,328,000	2,850,000	5,178,000	(143,625)
2032	2,292,700	2,750,000	5,042,700	(135,300)
2033	-	2,650,000	2,650,000	(2,392,700)
2034	-	2,550,000	2,550,000	(100,000)
	\$ 44,464,365	\$ 31,025,000	\$ 75,489,365	

- The increase in debt service from FY2023 to FY2024 is \$1.6M.



2023 Bond Issuance of \$25M



How Does the Town Fund This Debt Service?

- **Use of National Development Fees:**

1,750,000	Bldg 1 - by June 2023
1,750,000	Bldg 2 - expected Summer of 2024
3,500,000	National Development Fees

- **Use a hybrid funding model**
- **Create a debt service capital reserve of \$2 million via Council Resolution**
- **Restrict and designate Fees for future debt service payments in FY23 and FY24**
- **GF budget to gross appropriate Debt Service**
- **Debt Service Reserve offset**
- **Maintains commitment to moderate debt service increases to void any rating impact.**

Fiscal Year	(A)	FY23 Budget	GF Perm Increase	FY24 Special Reserve	Total FY24 Ties to Debt Service w/New Issuance
	Post \$25M Issuance Debt Service				
	P & I				
2024	\$ 9,720,859	8,105,180	8,720,859	1,000,000	9,720,859
2025	10,391,663		9,391,663	1,000,000	10,391,663
2026	10,055,119		10,055,119	-	10,055,119
2027	9,706,463		9,706,463		9,706,463
2028	7,734,363		7,734,363		7,734,363
2029	7,138,575		7,138,575		7,138,575
2030	5,321,625		5,321,625		5,321,625
2031	5,178,000		5,178,000		5,178,000
2032	5,042,700		5,042,700		5,042,700
2033	2,650,000		2,650,000		2,650,000
2034	2,550,000		2,550,000		2,550,000
	\$ 75,489,365		73,489,365	2,000,000	75,489,365

- **GF recommended increase of approximately \$600K in debt service.**



Capital Leases

The Town of East Hartford									
Schedule of Leases Payable									
For the Fiscal Year Ending June 30, 2024									
		Int.							TOTAL
Description	Base Lease	Rate	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	DUE
FY 23 - Rolling Stock/Other CIP Items	670,000	4.91%		188,553	188,553	188,553	188,553	-	754,212
FY 22 - Rolling Stock/Other CIP Items	1,724,818	1.39%		446,390	446,390	446,390	-	-	1,339,170
FY 21 - Rolling Stock/Other CIP items	2,538,220	1.17%		523,942	523,942	523,942	-	-	1,571,826
FY 20 - Rolling Stock/Other CIP items	1,259,768	2.59%		337,661	-	-	-	-	337,661
FY 17 - Fire Equipment, Dispatch, PW	4,625,000	2.03%		520,875	520,875	520,875	520,875		2,083,500
FY 16 - Library HVAC, furniture, & computers	1,500,000	2.29%		-	-	-	-	-	-
Total Capital Lease Payments	12,317,806		2,064,863	2,017,421	1,679,760	1,679,760	709,428	-	6,086,369
			\$ Chg	(47,442)	(337,661)				
Energy Performance Lease Payments									
EPC II Net (less QECB subsidy)	6,000,000	6.08%	57,471	57,437	57,350	57,207	-	-	171,994
EPC II Non-QECB	1,400,000	4.16%	13,333	13,725	14,129	14,516	-	-	42,370
	7,400,000		70,804	71,162	71,479	71,723	-	-	355,143
Grand Total Stock and Energy Payments	19,717,806		2,135,667	2,088,583	1,751,239	1,751,483	709,428	-	6,441,512
			\$ Chg	(47,084)	(337,344)				

- **FY24 Rolling Stock/Other CIP of \$903K at 4.79% - estimated annual cost of \$253K starting in FY25.**



APPENDIX



Summary of Estimated Changes

Long Term Obligations 2/21/23					
	FY23	Est FY24	Chg	Alt	Chg
Pension ADC	21.10	22.30	1.20	23.20	2.10
OPEB	1.46	2.16	0.70	3.16	1.70
Health	6.03	5.60	(0.43)	5.60	-0.433
Debt Svc	8.11	8.72	0.62	9.72	1.615
Cap Lease	2.14	2.09	(0.05)	2.09	-0.047
Total	38.84	40.87	2.04	43.773	4.935



Existing and Projected CIP Expenditures

- Expenditures to date and estimated cashflow indicate bond issuance of \$25 million at minimum is necessary.
- CIP expenditures of \$11.2M to date to reimburse GF.
- Anticipated to increase to \$14.2M by March 2023.
- This issuance will cover cashflow until early 2024.
- Does not include the majority of the bonds for the Town Hall project.
- Next issuance likely required in 18 months.

ESTIMATE OF CASH NEEDS			
C28	2020 BOND	(5,856,094.00)	
C27	2018 BOND	(4,685,695.00)	
C26	2016 BOND	(626,181.00)	
	SUBTOTAL	(11,167,970.00)	
	SILVER LANE	(3,000,000.00)	
	DUE TO GF TOTAL 3/2023	(14,167,970.00)	
	2018 TOWN HALL	(2,900,000.00)	
	ROAD EST	(6,900,000.00)	*\$6.6M FY21 & F22 Exp
	ESTIMATED BONDING NEED 12/31/23	(23,967,970.00)	
	2020 TOWN HALL	(5,000,000.00)	
	ESTIMATED BONDING NEED 3/1/2024	(28,967,970.00)	
	OTHER	(500,000.00)	Town Bldgs-Other
	2020 TOWN HALL	(4,000,000.00)	
	ROAD EST	(5,000,000.00)	Spring-Dec 2024 costs



Authorized but Unissued

Authorized but Unissued Debt	Amount	2023 Bond	2024 Bond	2025 Bond	2027 Bond
2016 Road Improvement/Flood Control System Imp.	\$ 5,000,000	1,500,000	1,500,000	2,000,000	
2016 Silver Lane Corridor Improvements	3,000,000	3,000,000			
2018 Roads	6,000,000	6,000,000			
2018 Town Hall HVAC	2,900,000	2,900,000			
2020 Roads	15,000,000	5,000,000	6,000,000	4,000,000	
2020 Town Buildings	10,000,000	4,600,000	5,400,000		
2020 BOE High and Middle School Roofs	4,000,000	-	2,000,000	2,000,000	
2022 Road Improvements	15,000,000	2,000,000			10,000,000
2022 Fire Equipment	3,000,000		3,000,000		
	63,900,000	25,000,000	17,900,000	8,000,000	10,000,000



Town Hall Renovation: Funding Plan

Allocation/Authorization Description	Allocation Amount	Subtotal	Category
Town Hall Renovation - GO Bond Authorization	2.900		
Town Buildings - GO Bond Authorization	9.000	11.900	Town GO
ARPA Town Hall Renovation (Original Allocation)	5.000		
ARPA Repurpose (North End Community Center)	1.665		
Other ARPA Repurposing	0.474		
Non-Profit Grant Program	0.500	7.639	ARPA
Excess Unbudgeted FY2023 Muni Aid	1.400		
Move road/parking lot portion of town hall to Road Bond	0.020	0.020	Repurposed GO
State Grant - Energy Efficiency Improvement for Town Hall	0.035	0.035	State Grant / Special Revenue
FY22-FY24 Year End - Capital Reserve Fund	0.606	2.006	General Fund
Total (in millions)	21.600	21.600	



OPEB Trust Fund

Calc Backup		How to meet ordinance requirement?			
5,088		5,711	Ord Calc		
115		(397)	Adj for High Cost Claimants - Stop Loss Offsets		
115		(3,314)	Appropriation		
115		(1,000)	Ord 10-52 Addl Approp		
			Addl Contribution - Fees/Health		
139		(1,000)	FY23 Addl Contr - General		
139		-	Net		
5,711					

